

DRAFT
DISPOSITION OF BORROWINGS WITH CAPITALIZED INTEREST
(Illustrating transactions between the Bureau of the Public Debt and the Federal Financing Bank)

Overview

The need exists for accounting and reporting consistency on the disposition of borrowings, particularly for the following agencies or fund symbols: the Bureau of the Public Debt (BPD), the Federal Financing Bank (FFB), the Commodity Credit Corporation, and the Washington Aqueduct Capital Improvements fund.

This proposal introduces two new USSGL accounts representing the amount of accrued interest due or owed on non-credit reform loans that have been capitalized. These new accounts segregate capitalized interest receivable/payable on non-credit reform loans from regular interest on loans receivable. Capitalized interest takes on the characteristics of loan principal and therefore should be tracked separately. The proposed new USSGL accounts, effective Fiscal 2008, are:

- 1351 Capitalized Loan Interest Receivable – Non-Credit Reform
- 2511 Capitalized Loan Interest Payable – Non-Credit Reform

Additionally, there has been inconsistency in the recording of gains and losses on early repayments of borrowings. In order to resolve these inconsistencies, this scenario includes a proposal to modify two existing USSGL accounts. The related transactions are illustrated in the scenario that follows. The proposed modifications, effective Fiscal 2008, are to the following USSGL accounts:

- 7112 Gains on Disposition of Borrowings
- 7212 Losses on Disposition of Borrowings

The scenario that follows illustrates the proposed new and modified USSGL accounts, as well as new and existing transactions to be recorded for the disposition of borrowings with capitalized interest. The scenario is illustrative of FFB borrowings with the BPD. Budgetary and financial statement crosswalks are included at the end.

USSGL accounts, transactions and crosswalks follow TFM S2 06-02a (July 2006), Part 2 Fiscal 2007 Reporting (the Program and Financing (P&F) Schedule crosswalk follows Fiscal 2006 reporting).

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The following USSGL accounts are used in this scenario:

Budgetary

- 4070 Anticipated Collections From Federal Sources
- 4141 Current-Year Borrowing Authority Realized
- 4145 Borrowing Authority Converted to Cash
- 4146 Actual Repayments of Debt, Current-Year Authority
- 4148 Resources Realized From Borrowing Authority
- 4149 Borrowing Authority Carried Forward
- 4201 Total Actual Resources - Collected
- 4262 Actual Collections of Loan Principal
- 4263 Actual Collections of Loan Interest
- 4450 Unapportioned Authority
- 4510 Apportionments
- 4590 Apportionments - Anticipated Resources - Programs Subject to Apportionment
- 4610 Allotments - Realized Resources
- 4901 Delivered Orders - Obligations, Unpaid
- 4902 Delivered Orders - Obligations, Paid

Proprietary

- 1010 Fund Balance With Treasury
- 1340 Interest Receivable
- 1350 Loans Receivable
- 1351 Capitalized Loan Interest Receivable - Non-Credit Reform
- 2140 Accrued Interest Payable
- 2510 Principal Payable to the Bureau of the Public Debt
- 2511 Capitalized Loan Interest Payable - Non-Credit Reform
- 2980 Custodial Liability
- 3310 Cumulative Results of Operations
- 5312 Interest Revenue - Loans Receivable/Uninvested Funds
- 6310 Interest Expenses on Borrowing From the Bureau of the Public Debt and/or the Federal Financing Bank
- 7112 Gains on Disposition of Borrowings
- 7212 Losses on Disposition of Borrowings
- 7500 Distribution of Income - Dividend

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Proposed New USSGL Accounts

Account Title: Capitalized Loan Interest Receivable – Non-Credit Reform
Account Number: 1351
Normal Balance: Debit

Definition: The amount of accrued interest due on a non-credit reform loan that has been capitalized. Capitalized interest, like loan principal, is subject to interest charges until such time as the debt is paid or otherwise settled.

Account Title: Capitalized Loan Interest Payable - Non-Credit Reform
Account Number: 2511
Normal Balance: Credit

Definition: The amount of accrued interest owed on a non-credit reform loan that has been capitalized. Capitalized interest, like loan principal, is subject to interest charges until such time as the debt is paid or otherwise settled.

Proposed Modifications to Existing USSGL Accounts

Account Title: Gains on Disposition of Borrowings
Account Number: 7112
Normal Balance: Credit

Definition: The amount of gain in the Federal Financing Bank on early repayment of outstanding borrowings from the agencies.

Account Title: Losses on Disposition of Borrowings
Account Number: 7212
Normal Balance: Debit

Definition: The amount of loss to the Federal Financing Bank on the early repayment of outstanding borrowings from the agencies.

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BPD LOSS ON DISPOSITION OF BORROWINGS w/CAPITALIZED INTEREST¹

1. To record borrowing authority and anticipated collections from Non-Federal Sources (FFB).

FFB (TC – A140, A152)	Debit	Credit	BPD	Debit	Credit
<u>Budgetary</u> 4070 Anticipated Collections From Federal Sources 4141 CY Borrowing Authority Realized 4450 Unapportioned Authority	5,000 10,000	15,000	<u>Budgetary</u> None <u>Proprietary</u> None		
<u>Proprietary</u> None					

2. To record budget authority apportioned and available for allotment (\$1,000), and budget authority apportioned but not available for use until realized (\$5,000).

FFB (TC – A116, A118)	Debit	Credit	BPD	Debit	Credit
<u>Budgetary</u> 4450 Unapportioned Authority 4510 Apportionments 4590 Apportionments – Anticipated Resources – Programs Subject to Apportionment	6,000	1,000 5,000	<u>Budgetary</u> None <u>Proprietary</u> None		
<u>Proprietary</u> None					

3. To record the allotment of authority.

FFB (TC – A120)	Debit	Credit	BPD	Debit	Credit
<u>Budgetary</u> 4510 Apportionments 4610 Allotments – Realized Resources	1,000	1,000	<u>Budgetary</u> None <u>Proprietary</u> None		
<u>Proprietary</u> None					

¹ NOTE: FFB budgetary transactions are under discussion with OMB and Treasury. Those shown in this scenario follow standard USSGL guidance.

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4. To record the drawing of cash to fund borrowing authority from the BPD (accomplished via SF 1151: Nonexpenditure Transfer Authorization).

FFB (TC – A156)	Debit	Credit	BPD (TC – XXX)	Debit	Credit
<u>Budgetary</u> 4148 Resources Realized From Borrowing Authority 4145 Borrowing Authority Converted to Cash	10,000	10,000	<u>Budgetary</u> None		
<u>Proprietary</u> 1010 Fund Balance With Treasury 2510 Principal Payable to the BPD	10,000	10,000	<u>Proprietary</u> 1350 Loans Receivable 2980 Custodial Liability ²	10,000	10,000

5. To record the receipt of previously anticipated collections, and the realization of previously anticipated and apportioned authority.

FFB (TC – A122, C109)	Debit	Credit	BPD	Debit	Credit
<u>Budgetary</u> 4262 Actual Collections of Loan Principal 4263 Actual Collections of Loan Interest 4070 Anticipated Collections From Federal Sources and 4590 Apportionments – Anticipated Resources – Programs Subject to Apportionment 4610 Allotments – Realized Resources	2,500 500 3,000	 3,000 3,000	<u>Budgetary</u> None		
<u>Proprietary</u> 1010 Fund Balance With Treasury 1340 Interest Receivable 1350 Loans Receivable	3,000	500 2,500	<u>Proprietary</u> None		

² USSGL account 2890 throughout this scenario may be replaced with new General Fund Receipt (GFR) account guidance currently being developed.

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6. To record the accrual of interest expenses incurred, not yet paid (FFB), and to record accrued revenue from Federal sources (BPD).

FFB (TC – B418)	Debit	Credit	BPD (TC – C422 and NEW)	Debit	Credit
<u>Budgetary</u> 4610 Allotments – Realized Resources 4901 Delivered Orders – Obligations, Unpaid	500		<u>Budgetary</u> None		
<u>Proprietary</u> 6310 Interest Expenses on Borrowing From the BPD and/or the FFB 2140 Accrued Interest Payable	500	500	<u>Proprietary</u> 1340 Interest Receivable 5312 Interest Revenue – Loans Receivable/Uninvested Funds and 7500 Distribution of Income - Dividend ³ 2980 Custodial Liability	500	500
				500	500

7. To record the capitalization of loan interest payable (FFB) and receivable (BPD) on the interest payment due date, pertaining to the accrual in transaction #6. Net impact to Fund Balance is zero.

FFB (TC – NEW)	Debit	Credit	BPD (TC – NEW)	Debit	Credit
<u>Budgetary</u> None			<u>Budgetary</u> None		
<u>Proprietary</u> 2140 Accrued Interest Payable 2511 Capitalized Loan Interest Payable – Non-Credit Reform	500	500	<u>Proprietary</u> 1351 Capitalized Loan Interest Receivable – Non-Credit Reform 1340 Interest Receivable	500	500

³ USSGL account 7500 throughout this scenario may be replaced with new GFR account guidance currently being developed.

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8. To record the accrual of interest expenses incurred, not yet paid (FFB), and to record accrued revenue from Federal sources (BPD).

FFB (TC – B418)	Debit	Credit	BPD (TC – C422 and NEW)	Debit	Credit
<u>Budgetary</u> 4610 Allotments – Realized Resources 4901 Delivered Orders – Obligations, Unpaid	100		<u>Budgetary</u> None		
<u>Proprietary</u> 6310 Interest Expenses on Borrowing From the BPD and/or the FFB 2140 Accrued Interest Payable	100	100	<u>Proprietary</u> 1340 Interest Receivable 5312 Interest Revenue – Loans Receivable/Uninvested Funds and 7500 Distribution of Income - Dividend 2980 Custodial Liability	100 100	 100 100

9. To record the payment of capitalized loan interest from transaction #7.

FFB (TC – NEW)	Debit	Credit	BPD (TC – NEW)	Debit	Credit
<u>Budgetary</u> 4901 Delivered Orders – Obligations, Unpaid 4902 Delivered Orders – Obligations, Paid	500		<u>Budgetary</u> None		
<u>Proprietary</u> 2511 Capitalized Loan Interest Payable – Non- Credit Reform 1010 Fund Balance With Treasury	500	500	<u>Proprietary</u> 1010 Fund Balance With Treasury 1351 Capitalized Loan Interest Receivable – Non- Credit Reform 2980 Custodial Liability 1010 Fund Balance With Treasury	500 500	 500 500

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10. To record principal repayments to Treasury/BPD for the \$10,000 borrowing in transaction #4, and to record the payment of accrued interest payable/receivable. This represents a gain to FFB and a loss to BPD.

FFB (TC B110, B121 – modified with 7112)	Debit	Credit	BPD (TC C143 non-custodial, TC – NEW)	Debit	Credit
<u>Budgetary</u> 4450 Unapportioned Authority 4146 Actual Repayments of Debt, Current-Year Authority 4901 Delivered Orders – Obligations, Unpaid 4902 Delivered Orders – Obligations, Paid <u>Proprietary</u> 2140 Accrued Interest Payable 1010 Fund Balance With Treasury 2510 Principal Payable to the BPD 1010 Fund Balance With Treasury 7112 Gains on Disposition of Borrowings	9,000 100 100 10,000	 9,000 100 100 100 9,000 1,000 1,000	<u>Budgetary</u> None <u>Proprietary</u> ⁴ 1010 Fund Balance With Treasury 1340 Interest Receivable 1010 Fund Balance With Treasury 7212 Losses on Disposition of Borrowings 1350 Loans Receivable 2980 Custodial Liability 1010 Fund Balance With Treasury 7500 Distribution of Income - Dividend	 100 9,000 1,000 10,100	 10,000 9,100 1,000

11. To record adjustments for anticipated resources not realized.

FFB (TC – F112)	Debit	Credit	BPD	Debit	Credit
<u>Budgetary</u> 4590 Apportionments – Anticipated Resources – Programs Subject to Apportionment 4070 Anticipated Collections From Federal Sources <u>Proprietary</u> None	2,000	2,000	<u>Budgetary</u> None <u>Proprietary</u> None		

⁴ The amount of fund balance (i.e. 1010) that is moved from FFB to repay the loan is \$9,100. That amount is credited directly to a GFR account. For illustrative purposes, this transaction shows the debit and credit movement of fund balance, even though fund balance does not actually flow through the BPD TAFS.

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PRE-CLOSING ADJUSTED TRIAL BALANCES

FFB	Debit	Credit	BPD	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
4070 Anticipated Collections From Fed Sources	0		None		
4141 CY Borrowing Authority Realized	10,000				
4145 Borrowing Authority Converted to Cash		10,000			
4146 Actual Repayments of Debt, CY Authority		9,000			
4148 Resources Realized Borrowing Authority	10,000				
4262 Actual Collections of Loan Principal	2,500				
4263 Actual Collections of Loan Interest	500				
4450 Unapportioned Authority		0			
4510 Apportionments		0			
4590 Apportionments – Anticipated Resources – Programs Subject to Apportionment		0			
4610 Allotments – Realized Resources		3,400			
4901 Delivered Orders – Obligations, Unpaid		0			
4902 Delivered Orders – Obligations, Paid		600			
Total Budgetary	23,000	23,000			
<u>Proprietary</u>			<u>Proprietary</u>		
1010 Fund Balance With Treasury	3,400		1010 Fund Balance With Treasury	0	
1340 Interest Receivable		500	1340 Interest Receivable	0	
1350 Loans Receivable		2,500	1350 Loans Receivable	0	
2140 Accrued Interest Payable		0	1351 Capitalized Loan Interest		
2510 Principle Payable to the BPD		0	Receivable – Non-Credit		
2511 Capitalized Loan Interest Payable – Non- Credit Reform		0	Reform	0	
6310 Interest Expenses on Borrowing From the BPD and/or the FFB	600		2980 Custodial Liability		0
7112 Gains on Disposition of Borrowings		1,000	5312 Interest Revenue – Loans Receiv.		600
Total Proprietary	4,000	4,000	7212 Losses on Disposition of Borrowing	1,000	
			7500 Distribution of Income - Dividend	0	400
			Total Proprietary	1,000	1,000

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Closing entries

12. To record the consolidation of actual net-funded resources.

FFB (TC – F302)	Debit	Credit	BPD	Debit	Credit
<u>Budgetary</u> 4146 Actual Repayment of Debt – CY Auth 4201 Total Actual Resources - Collected 4148 Resources Realized from Borrowing Authority 4262 Actual Collections of Loan Principal 4263 Actual Collections of Loan Interest	9,000 4,000	10,000 2,500 500	<u>Budgetary</u> None		
<u>Proprietary</u> None			<u>Proprietary</u> None		

13. To record the closing of fiscal-year borrowing authority.

FFB (TC – F306)	Debit	Credit	BPD	Debit	Credit
<u>Budgetary</u> 4145 Borrowing Authority Converted to Cash 4149 Borrowing Authority Carried Forward 4141 CY Borrowing Authority Realized 4149 Borrowing Authority Carried Forward	10,000 10,000	10,000 10,000	<u>Budgetary</u> None		
<u>Proprietary</u> None			<u>Proprietary</u> None		

14. To record the closing of unobligated balances to unapportioned authority for unexpired multi-year and no-year funds.

FFB (TC – F308)	Debit	Credit	BPD	Debit	Credit
<u>Budgetary</u> 4610 Allotments – Realized Resources 4450 Unapportioned Authority	3,400	3,400	<u>Budgetary</u> None		
<u>Proprietary</u> None			<u>Proprietary</u> None		

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15. To record the closing of paid delivered orders to total actual resources.

FFB (TC – F314)	Debit	Credit	BPD	Debit	Credit
<u>Budgetary</u> 4902 Delivered Orders – Obligations, Paid 4201 Total Actual Resources - Collected	600	600	<u>Budgetary</u> None		
<u>Proprietary</u> None			<u>Proprietary</u> None		

16. To record the closing of revenues and expenses to cumulative results of operations.

FFB (TC – F336)	Debit	Credit	BPD (TC – F336)	Debit	Credit
<u>Budgetary</u> None			<u>Budgetary</u> None		
<u>Proprietary</u> 3310 Cumulative Results of Operations 6310 Interest Expense on Borrowings From BPD	600	600	<u>Proprietary</u> 5312 Interest Rev – Loan Receiv 3310 Cumulative Results of Operations	600	600

17. To record the closing of gains and losses into cumulative results of operations.

FFB (TC – F338)	Debit	Credit	BPD (TC – F340)	Debit	Credit
<u>Budgetary</u> None			<u>Budgetary</u> None		
<u>Proprietary</u> 7112 Gains on Disposition of Borrowings 3310 Cumulative Results of Operations	1,000	1,000	<u>Proprietary</u> 3310 Cumulative Results of Operations 7500 Distribution of Income - Dividend 7212 Loss on Disposition of Borrowings	600 400	 1,000

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POST-CLOSING TRIAL BALANCES

FFB	Debit	Credit	BPD	Debit	Credit
<u>Budgetary</u>			<u>Budgetary</u>		
4201 Total Actual Resources - Collected	3,400		None		
4450 Unapportioned Authority	<u>0</u>	<u>3,400</u>			
Total Budgetary	3,400	3,400			
<u>Proprietary</u>			<u>Proprietary</u>		
1010 Fund Balance With Treasury	3,400		None		
1340 Interest Receivable		500			
1350 Loans Receivable		2,500			
3310 Cumulative Results of Operations	<u>0</u>	<u>400</u>			
Total Proprietary	3,400	3,400			

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Budgetary Reports

SF 133: REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES		
FFB		BPD
BUDGETARY RESOURCES		
3. Budget authority:		
3B. Borrowing Authority (4141E)	10,000	
3D1a. SAOC, Earned, Collected (4262E, 4263E)	3,000	
6. Permanently not available (-)		
C. Capital transfers and reduction of debt (-) (4146E)	(9,000)	
7. Total budgetary resources	4,000	
STATUS OF BUDGETARY RESOURCES		
8A. Obligations incurred, Direct (4901E-B, 4902E)	600	
9A1. Unob bal, Apportioned, Bal curr avail (4610E)	3,400	n/a
11. Total status of budgetary resources	4,000	
CHANGE IN OBLIGATED BALANCES		
13. Obligations incurred (+) (4901E-B, 4902E)	600	
14. Gross outlays (-) (4902E)	600	
18A. Ob bal, net, end of period, Unpaid obs (4901E)	0	
NET OUTLAYS		
19A. Net Outlays, Gross outlays (+) (4902E)	600	

FMS 2108: YEAR-END CLOSING STATEMENT			
FFB			BPD
	Unexpended Balances	Borrowing Authority	
Column 3 Increases (4141E)		10,000	
Column 4 Borrowings (4145E)		10,000	
Column 5 Post-Closing Unexpended Balance (1010E)	3,400		
Column 6 Balance (4141E, 4145E)		0	n/a
Column 11 Unobligated Balance (4610E)	3,400		
Col 5+6+7+8 = 9+10+11		Col 2+3-4-5=6	
3,400 = 3,400		0=0	

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Budgetary Reports (continued)

BUDGET PROGRAM AND FINANCING SCHEDULE (P&F)		
FFB		BPD
Obligations by Program Activity		
1000	Total new obligations (+) (4901E-B, 4902E))	600
Budgetary Resources Available for Obligation		
2140	Unobligated balance cf, soy	0
2395	Total new obligations (-) (same as 1000, opp sign)	(600)
2200	New budget authority (gross) (sum 4000..6962)	4,000
2440	Unobligated balance carried forward, eoy (4610E)	3,400
New Budget Authority (Gross), Detail		
6716	Borrowing authority (12 U.S.C. 2284-96) (4141E)	10,000
6900	SAOC (cash) (4262E, 4263E)	3,000
6947	Portion applied to repay debt (-) (4146E)	(9,000)
7000	Total new budget authority (gross) (sum 4000..6990)	4,000
Change in obligated balances		
7240	Obligated balance, start of year	0
7310	Total new obligations (same as 1000))	600
7320	Total outlays (gross) (-) (4902E)	(600)
7440	Obligated balance, end of year	0
Outlays (Gross), Detail		
8697	Outlays from new mandatory authority (4902E)	600
Offsets		
Offsetting Collections From:		
8840	Non-Federal sources (4262E, 4263E)	3,000
Net Budget Authority and Outlays		
8900	Budget auth (net) (+) (sum 2200 – (8800..8845, 8895, 8896)	1,000
9000	Outlays (net) (+) (sum 8690..8698 minus 8800..8845)	(2,400)

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OMB Form and Content Statements

BALANCE SHEET			
FFB		BPD	
Assets		Assets	
Intragovernmental		Intragovernmental	
1. Fund Balance With Treasury (1010E)	3,400	1. Fund Balance With Treasury (1010E)	0
4. Loans Receivable (1340E, 1350E)	(3,000)	4. Loans Receivable (1340E, 1350E, 1351E)	0
6. Total Intragovernmental (calc 1..5)	400	6. Total Intragovernmental (calc 1..5)	0
15. Total Assets (calc 6..14)	400	15. Total Assets (calc 6..14)	0
Liabilities		Liabilities	
Intragovernmental		Intragovernmental	
18. Debt (2140E, 2510E, 2511E)	0	19. Other (2980E)	0
20. Total Intragovernmental (calc 16..19)	0	20. Total Intragovernmental (calc 16..19)	0
28. Total Liabilities (calc 19..27)	0	28. Total Liabilities (calc 19..27)	0
Net Position		Net Position	
33. Cum Res of Oper – Other Funds (6310E, 7112E)	400	33. Cum Res of Op – Other Fs (5312E, 77212E, 7500E)	0
34. Total Net Position (calc 29..33)	400	34. Total Net Position (calc 29..33)	0
35. Total Liab and Net Position (calc 28+34)	400	35. Total Liab and Net Position (calc 28+34)	0

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OMB Form and Content Statements (continued)

STATEMENT OF NET COST			
FFB		BPD	
Program Costs		Program Costs	
1. Gross Costs (6310E)	600	1. Gross Costs (7212E, 7500E)	600
2. Less: earned revenue (7112E)	1,000	2. Less: earned revenue (5312E)	600
3. Net program costs (calc 1-2)	(400)	3. Net program costs (calc 1-2)	0
6. Net cost of operations (calc 3+4-5)	(400)	6. Net cost of operations (calc 3+4-5)	0

STATEMENT OF CHANGES IN NET POSITION					
FFB			BPD		
	Earmarked Funds	All Other Funds		Earmarked Funds	All Other Funds
Cumulative Results of Operations:			Cumulative Results of Operations:		
1. Beg Balances	0	0	1. Beg Balances	0	0
2. Adjustments	0	0	2. Adjustments	0	0
3. Beginning Bal, As Adjusted	0	0	3. Beginning Bal, As Adjusted (calc 1..2b)	0	0
Other Financing Sources (Nonexchange):			Other Financing Sources (Nonexchange):		
14. Total Financing Sources (calc 4..13)	0	0	14. Total Financing Sources (calc 4..13)	0	0
15. Net Cost of Operations	0	400	15. Net Cost of Operations	0	0
16. Net Change (calc 14-15)	0	400	16. Net Change (calc 14-15)	0	0
17. Cum Results of Operations (calc 3+16)	0	400	17. Cum Results of Operations (calc 3+16)	0	0
27 Net Position (calc 17+26)	0	400	27 Net Position (calc 17+26)	0	0

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OMB Form and Content Statements (continued)

STATEMENT OF FINANCING⁵	
FFB	BPD
Resources Used to Finance Activities Budgetary Resources Obligated 1. Oblig Incurred (4901E-B, 4902E) 600 2. Less: SAOC and Recov (4262E, 4263E) 3,000 3. Oblig Net of Offsetting Coll and Recov (2,400) 5. Net Obligations (calc 3-4) (2,400) Other Resources 11. Total Res Used to Finance Activities (calc 5+10) 2,400 Resources Used to Finance Items Not Part of the Net Cost of Operations 15. Res That Finance the Acq of Assets (1350E-B) 2,500 OR? (4901E-B, 4902E) 17. Tot Res Used to Finance Items Not Part of the Net Cost of Ops (calc 12..16) 2,500 18. Total Res Used to Finance the NC (calc 11-17) (100) Components Not Requiring or Generating Resources 22. Incr in exch rev from the public (1340E-B) 500 26. Revaluation of assets or liabs (7112E-exchange) xxx 29. Total comp on NC that will not require or generate res in the current pd (calc 24+28) 500 30. Net Cost of Operations (calc 18+29) 400	Resources Used to Finance Activities Budgetary Resources Obligated 1. Oblig Incurred (4901E-B, 4902E) 0 2. Less: SAOC and Recov (4262E, 4263E) 0 3. Oblig Net of Offsetting Coll and Recov 0 5. Net Obligations (calc 3-4) 0 Other Resources 11. Total Res Used to Finance Activities (calc 5+10) 0 Resources Used to Finance Items Not Part of the Net Cost of Operations 17. Tot Res Used to Finance Items Not Part of the Net Cost of Ops (calc 12..16) 0 18. Total Res Used to Finance the NC (calc 11-17) 0 Components Not Requiring or Generating Resources 26. Revaluation of assets or liabs (7212E-exchange) 0 28. Tot Comp of NC that will not require Or generate resources (calc 25..27) 0 29. Total comp on NC that will not require or Generate res in the current pd (calc 24+28) 0 30. Net Cost of Operations (calc 18+29) 0

⁵ NOTE: The Statement of Financing in this scenario is still in draft and will be revised at a later date.